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C O N F I D E N T I A L SECTION 01 OF 02 MOSCOW 000684

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TAGS: PREL PGOV ECON RS AJ AM

SUBJECT: MARCH 11-12 LAVROV VISIT TO BAKU

Classified By: Acting Pol M/C David Kostelancik for reasons 1.4(b) and (d)

¶1. (C) Summary: MFA Azerbaijan Office Director Yevgeniy Borisov told us that FM Lavrov's March 11-12 visit to Baku was "long scheduled," but hinted it was geared to control the recent damage done to bilateral relations by the allegations of Russian arms sales to Armenia and the creation of a CSTO rapid reaction force that could threaten Azerbaijan. He confirmed Russia saw Azerbaijan as belonging to the area of Russia's "privileged interests," noting Russia's proposals for an economic organization or security mechanism for the region. While Borisov played down the importance of the Nagorno-Karabakh conflict during Lavrov's visit, analysts see that conflict, increased Russian regional influence, and damage control as the main drivers of Lavrov's visit. End Summary.

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Damage control  
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¶2. (C) MFA Azerbaijan Office Director Yevgeniy Borisov told us March 18 that Foreign Minister Lavrov's March 11-12 trip to Baku to meet with Azerbaijani President Aliyev and Foreign Minister Mammedyarov was a "long scheduled" visit, although he admitted that planning for the trip only began after Azerbaijan raised allegations of Russian arms sales to Armenia, which Borisov reiterated were based on forged documents. Borisov added that the proposed creation of a CSTO rapid reaction force also made Lavrov's visit timely. Borisov said Lavrov explicitly stated that "the forces would not be used against Azerbaijan," and clarified in a March 10 interview that the forces would only operate on the soil of CSTO members (which include Armenia but not Azerbaijan).

¶3. (C) Borisov also said that Presidential Chief of Staff Sergey Naryshkin had traveled to Baku frequently, most recently February 27 and before that in October 2008, reportedly to discuss cultural and Russian language issues. Borisov professed not to know the reason for the frequency of travel.

¶4. (C) Noting the importance of vocabulary, Borisov distinguished between Armenia's status as an "ally" of Russia, while Azerbaijan was only a "strategic partner." However, with a smile, he said that Medvedev had created a new category of partnership on March 17 when he told Russia's newly appointed ambassador to Azerbaijan Vladimir Dorokhin that Azerbaijan was a "strategic ally." Borisov brushed off Naryshkin's comment that Azerbaijan was a "key economic and political partner in the region," saying that applied equally to other countries.

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Area of privileged interest  
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¶5. (C) With regard to Russia's perceived role in the region,

Borisov confirmed that Russia regarded Azerbaijan as belonging to its "area of privileged interest." Highlighting the discussion in Baku about the Third Caspian Summit, Borisov pointed out Russia's interest that the next round of such talks, in theory to be held every year, should only take place if a concrete deliverable could be achieved. Russia had proposed an economic cooperation organization modeled on the Black Sea Economic Forum, a "document" addressing security in the region, or a convention on the legal status of the Caspian Sea, which Baku was considering.

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Nagorno-Karabakh  
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¶6. (C) Playing down the importance of Lavrov's discussions on Nagorno-Karabakh, Borisov only commented that Russia's offer to use its Prague embassy as the venue for possible May 7 talks between Presidents Aliyev and Sargsian on the sidelines of the EU's Eastern Partnership Summit was a "typical gesture" by Russia to assist conflict parties. The MFA stated that Lavrov had affirmed Russia's readiness to continue brokering a political settlement of the conflict, while Lavrov in his March 12 press conference in Baku reiterated Russia's support for the November 2, 2008 declaration signed by the conflict parties in Moscow, which Lavrov stressed had received "powerful support" from the Minsk Group.

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Other issues  
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¶7. (C) Borisov claimed Gazprom's interest in Azeri hydrocarbons was not a topic for discussion during Lavrov's trip, although Lavrov confirmed in his press conference that the sides had considered "large energy projects." Kommersant wrote March 12 that issues included Azeri oil shipments via the Baku-Novorossiysk pipeline and Russian purchases of Shakh-Deniz gas.

¶8. (C) Borisov said Lavrov had confirmed agreement on the use of the Gabala radar station through 2012, but had not achieved results on post-2012 usage. He called the March 18 referendum in Azerbaijan on presidential term limits and other issues an internal affair on which the MFA would not comment.

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Analysts  
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¶9. (U) Analysts agree that Lavrov's visit is an attempt at assuaging Azeri concerns over Russia-Armenian ties, making progress on Nagorno-Karabakh, and increasing Russia's sway in the region. Eldar Veliev in the Zerkalo newspaper called Russia's initiatives to create regional economic or security structures the beginning of an "active attack" on U.S. policy in the Caucasus and Central Asia.

¶10. (U) Regarding Nagorno-Karabakh, Mubariz Ahmedoglu of the Center for Political Innovation and Political Technology agreed with Nikolai Filchenko's view stated in Kommersant that Russia's offer to hold the proposed May 7 talks in Russia's Prague Embassy was an attempt to raise Russia's profile in mediating the conflict. However, Filchenko also noted that the vitriol between Azerbaijan and Armenia had increased, including due to Azeri reports circulated in the UN and OSCE defending Azerbaijan's view of the legal status of the conflict, causing him to be pessimistic about the near-term prospects for resolving the conflict.

¶11. (C) Sergei Markedonov of the Institute for Political and Military Analysis and Filichenko both doubted Azeri officials

would be convinced about Russia's impartiality in Nagorno-Karabakh. Markedonov termed Russia's call for inclusion of the Minsk Group a "ritual allusion." He denied Russia had any interest in resolving the conflict, preferring instead to keep Armenia tied to Russia as its champion in the conflict resolution process. Artem Malgin from MGIMO told us Aliyev's threats of using force to resolve the Karabakh conflict were "a bluff," but doubted Medvedev's initiatives would produce as much progress as his Transnistria efforts.

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Comment  
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¶12. (C) In the wake of both the Azeri referendum and unwelcome comments on regional political and military developments, not much was expected from Lavrov's trip to Baku. Nonetheless, the energy project discussions and agreement on the Gabala radar station have implications for broader Russian foreign policy objectives, including with the U.S., and bear watching.

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